GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Health, Medical and Family Welfare - Andhra Pradesh Medical Services and Infrastructure Development Corporation - Medical Equipment Procurement Policy for the Government Hospitals in the State – Guidelines framed – Orders - Issued.

HEALTH, MEDICAL AND FAMILY WELFARE (H2) DEPARTMENT

G.O.Ms.No.7 **Dated:13-01-2016**
Read:-

From the Managing Director, APMSIDC, Hyd., Letter No.54/APMSIDC/EQU/2015-16, Dt:29.12.2015.

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ORDER:

In the letter read above the Managing Director, Andhra Pradesh Medical Services and Infrastructure Development Corporation (APMSIDC) has furnished the draft Medical Equipment Procurement Policy. Government have examined the medical equipment policy and it is pleased to bring out guidelines on Planning, Rational Procurement and Management of Medical Equipment for the Department of Health, Medical & Family Welfare, Government of Andhra Pradesh. The guidelines are prepared in consultation with a large number of stakeholders and various divisions of the Department including the Director of Medical Education, Andhra Pradesh Vaidhya Vidhana Parishad, NRT-VS (public sector hospitals), and APMSIDC among others. Henceforth any proposals for procurement of Medical Equipment by any health care institution must follow the pre-procurement, procurement and post-procurement processes outlines.

Need Assessment:

The Equipment planning is an essential component of public health planning process. The decision to purchase medical equipment should be based on the need, usage of the existing equipment, availability of the technical manpower, recurring cost to maintain the equipment, the services being proposed to be provided to the patients and availability of resources. The indenting officer shall consider the following issue before indenting for any medical equipment.

Choice of Technology:

In recent years, health care industry is witnessing rapid growth in research and development resulting in advent of equipment of latest technology, which have not only additional features, but are more “user friendly’’. However, all additional features may not necessarily be required to deliver the required service and user-friendliness is desirable only to an extent given the cost-consequences. Sometime the same equipment can be upgraded to adopt new technology. This may be cost effective and should be considered while buying the new equipment.

Manpower Availability:

The benefit of any equipment is dependent on the human resource behind the machine who should be skilled to operated, read and interpret the result without which equipment of any standard will either remain idle or the output will be of poor quality. Inexperienced handling of the equipment is a threat to the reputation of the institution and results in

frequent break down of the equipment. It is essential to consider this aspect seriously. On site operational training should be mandatory at the time of installation.

Installation Space Availability:

Before indenting, the indenting authority should make sure that the site is adequate and ready for the installation of the equipment. The installation site should have the provision of ancillary requirement like proper power supply, earthing, sterility of ambiance, infection proofing and fire safety, as applicable.

Recurring Cost:

The consumables required for the equipment i.e. E.C.G Paper, cartridge for the printer or reagents etc. should be freely available either in open market or with the vendor(s). If with the vendor, the time required to get the consumable should be ascertained, so that the equipment will not be idle for want of consumables. Procurement of equipment with open technology i.e., reagents/ consumable would be preferred instead of any fixe Brand/ Make.

Safety:

Necessary tests/reports on quality and safety of equipment is necessary for its safe use and good outcomes for the patient and healthcare workers. Reliable, authenticated reports to confirm adequate testing of equipment as per standards would be non-compromising part of procurement process.

Competitiveness:

While sufficient testing and brand approvals are a must, placing very standards in equal measure in equipment characteristics would reduce competition and increase costs. The selection of standards therefore should be based on best practices adopted by Govt. of India/UN Agencies as applicable.

2). Keeping in view of the above circumstances, Government here by framed and issued the following guidelines for ensuring planning, rational procurement & management of medical equipment for all health facilities at primary, secondary & tertiary levels:

1. **Needs Assessment & Indent Generation:**

1.1 Classification of Hospital Equipment: For better facilitation of indenting, the hospital equipment is classified in the following categories.

1	Anesthesia: Operation Theatre & ICU
2	Blood Bank
3	Burn & Plastic
4	Cardiology
5	Cold chain Equipment
6	Cardio Thoracic & Vascular Surgery
7	Cardio Pulmonary
8	Dental
9	Dermatology
10	Causality
11	Endocrinology
12	ENT
13	Forensic Medicine & Toxicology
14	Gastroenterology

15	Laboratory Equipment (Biochemistry, Hematology, Histopathology, immunology, Microbiology etc.)
16	Mental Health
17	Nephrology
18	Neurology
19	Neuro- Surgery
20	Obst. & Gynecology
21	Ophthalmology
22	Orthopedic, physical medicine & Rehabilitation
23	Pediatrics & Neonatology
24	Pathology
25	Pharmacology & pharmacy
26	Radiology
27	Radiotherapy & medical Oncology
28	Surgery
29	Urology
30	Waste Management
31	Hospital Furniture & General Equipment
32	Any Other

1.2 **Needs assessment committee:** Ad-hoc tendering of equipment would be discouraged. For standardization of the indenting process, a state level needs assessment committee (SNAC) composed of the following shall be constituted which shall take into consideration requirements/indents **once every six months** for finalizing indents.

Composition of SNAC:

1) Commissioner (H&FW)- Chairperson
2) Advisor (Health & Medical Technology)-Co-Chairperson
3) Directorate of Medical Education- Member
4) Financial Advisor-Member
5) Director of Health Services- Member
6) Principal & Superintendent of medical colleges/DHs – Member(s) from indenting facilities
7) Managing Director, APMSIDC - Member
8) Special invites as per requirement
9) Commissioner, APVVP- Member Secretary & Convener

*for urgent procurement/in situations of public health emergency, the committee shall meet at a notice of 24 hours, in all other situations the committee shall validate and approve the requirements by **30th June and 30th December** of each year. Information from all facilities routed through appropriate district health authority/Head of Institution in case of teaching hospitals, shall be collected between 1st May-30th May and 1st November-30th November of each year.

1.3 **Indent Mechanism:** The concerned institution shall take into account all considerations while preparing the indent/requisition for the required items in the prescribed format.

I. The consolidated indents required at block level including at corresponding PHC/CHC/AH/DH/Sub-Center shall be placed before District Equipment Management Committee (DEMC). The DEMC shall compile all the indents and prioritize in the manner if required.

II. The district level equipment committee shall include – District Medical Officer, District Program Manager, Nursing Superintendent of the DH, CMO/Facility in-charge of the indenting PHC/CHC/AH/DH/Sub-Center, representative of Medical Equipment Maintenance Agency, and Bio-medical engineer from state health society.

III. The medical college requirement shall be validated by the Medical College Equipment Committee which shall include- Head of the institution, Head of the department indenting the equipment, Nursing Superintendent, representative of Medical Equipment Maintenance Agency, and Bio-medical engineer from state health society.

2. <u>Procurement</u>: Procurement of equipment will have three distinct pathways depending upon the value of the equipment, associated human resource skills needs and complexity in installation and operations of the given equipment.

2.1 The categorization of equipment from a procurement perspective is as below:

(i) **Equipment of high investment** and those requiring special skills: While most medical equipment require appropriate training of the health personnel, some equipment fulfills stand alone health services. Such equipment not only require training but certification from appropriate authority for the skilled human resources. Generally such equipment also have specific installation and maintenance requirements. Examples of such equipment being: Hemo-dialysis machine, Computed Tomography (CT), Magnetic Resonance Imaging (MRI), Linear Accelerator for cancer radio-therapy, Cardiac Catheterization Laboratory to name a few.

All such equipment of high complexity, requiring high capital investment, certified skilled training and costly maintenance **will not** be procured by the Government directly. For engaging services of such equipment, appropriate **Public Private Partnership contracts** will be established. The contracts will obligate service provider to be selected through the process of open tendering who will invest in procurement, operations and maintenance of equipment. User-fee based reimbursement shall be given to the service providers. Space for installation of such complex machinery shall be provided for by the Government in Public Health facilities itself to avoid patient transport. Engagement & Management of such equipment associated services shall be done through agreement done by Directorate of Medical Education (for medical colleges) and by State Health Society (for National Health Mission related programs). No procurement fees for executing and implementing such procurement agreements shall be paid to the agencies mentioned above.

(ii) **<u>Equipment of low to moderate value</u>:** Generally all equipment routinely used in hospitals as shared resource, requiring minimal training and routine maintenance shall be procured by the APMSIDC. Ad-hoc tendering of such equipment shall be discouraged and APMSIDC shall be undertaking rate contracts valid for a period of three years for each category of equipment. For executing the rate contracts, APMSIDC shall

speculate the annual requirement of each category of equipment and declare this in the rate contract process to obtain best market rates by volume. After conclusion of rate contracts, APMSIDC shall only place orders to approved vendors at rates agreed under the rate contract process, once every two years after the due needs assessment process has been completed.

(iii) **Innovations & pilots:** Innovations are by definition singular. Innovative products are therefore, not expected to attract competition or multiple quotations. However innovations and innovative technologies are critical to success in solving challenges. Several such innovations are brought out after completion of successful clinical trials by AIIMS, IITs, IISC and other government institutions of academic repute. To facilitate the process of innovations uptake, the Department of Health shall follow the 'Innovations' as defined by Ministry of Health & Family Welfare, Govt. of India on the National Health Innovations Portal. Innovations would therefore mean any new product which performs at least one of the following: (a) Targets a specific burden of disease or requirement in a disadvantaged population; (b) Reduces cost of patient care; or (c) Bridges a critical skill gap. To facilitate procurement of innovative products for pilots so as to explore their greater uptake in larger health system/health programs, the government would permit APMSIDC to procure innovative products in a **limited quantity** from Central Government Public Sector Units, Autonomous Institutions established by an Act of Parliament and IITs. The following would govern such procurement:

(a) The maximum permissible quantity of any innovative product would be 100. Once a procurement of 100 units of any innovative technology has been made, the same cannot be procurement via this route again and would require regular procurement by rate-contracts.

(b) In such cases, the cost of a single unit should not exceed Rs.2.00 Lakhs.

(c) The procurement should not be part of any clinical trial.

2.2 Specifications of Equipment: Specifications approved by Government of India for all medical devices shall be followed. In case of any deviation, such deviations would be duly approved by the State Needs Assessment Committee. If any products do not have specifications approved by the Government of India, request for formulation of such specifications would be sent to appropriate department within Ministry of Health & Family Welfare, Govt. of India at least three months before the process of rate contracts is initiated for that equipment. Necessary precautions would be taken to ensure that no particular brand, company, country, or any country's certification system is favoured and rate contract process results into competitive bidding. Care would be taken to ensure that interests of Indian medical devices manufacturing industry are protected.

3. Maintenance of Equipment: Govt. of Andhra Pradesh has adopted the national biomedical equipment maintenance program under which all equipment from all categories of public health facilities is being covered for comprehensive maintenance by contracting services of private service providers in a centralized manner. This would ensure upkeep time of 95% at District Hospitals, Medical Colleges and teaching hospitals; 90% at

Area hospitals & CHCs and 80% at PHCs. The implementation and monitoring of contract shall be done by State Health Society.

4. Condemnation of Equipment: Recommendation for condemnation of irreparable or outdated medical equipment shall be done by the state condemnation committee which would be same as State needs assessment committee. The committee shall take into consideration the operation & maintenance cost vis-à-vis the costs of replacement, change in regulations, frequency of breakdown and other related factors. The existing financial delegation and power as per Finance Department circulars will be applicable for condemnation at district/facility level. The committee will oversee the condemnation conducted across the state between 1st September -30th September and 1st February-28th February of every consecutive year. This would facilitate needs assessment and indenting in a timely manner as detailed in point

5. General Rules:

5.1. Minimum 2/3rd of the Members shall form the quorum in State Needs Assessment/Condemnation Committee as well as in all District Level committees. All members present in the meeting shall sign the finalized indent along with the scoring sheet for prioritization of item indented. The timelines for Needs Assessment and Condemnation shall be strictly adhered to and member secretary of the committee shall be responsible for carrying out the committee meetings as per prescribed timelines both at district and at state level.

5.2. Responsibility Matrix for Annual Indent Compilation

SL.	Category of Institution	Person Responsible
1	District & sub-district level	DM&HO
2	State level compilation	Commissioner of Health & Family Welfare
3	Medical Colleges	DME

5.3 The following shall be designated as custodian of the equipment

SL.	Category of Institution	Person Responsible
1	PHC	MO (I/C)
2	CHC	MO (I/C)
3	DH/AH/Maternity Hospital	Medical Superintendent
4	Medical College Hospitals	Director/Superintendent
5	State	Commissioner (Health & Family Welfare)

5.4 Post procurement inspection shall be carried out for all equipment. This shall be carried out within 2 weeks of delivery of equipment at the site. The inspection shall be carried out by APMSIDC. The inspection shall be carried out jointly by team comprising of the following:

(a) Representative of APMSIDC;

(b) Custodian of the Equipment at the respective facility;

(c) Representative of the Equipment Maintenance Service Agency. Six monthly sheet for utilization and performance of the equipment shall be submitted by Equipment Maintenance Agency to APMSIDC.

3). The above (point 1-5 and sub points there under) shall govern needs assessment, procurement, maintenance and life cycle management of medical equipment and equipment intensive services. This policy shall

be updated after three years from the date of issue and revised with changes, if any, thereafter.

4). The Managing Director, Andhra Pradesh Medical Services and Infrastructure Development Corporation and all the Head of the Departments of Health Medical and Family Welfare Department are requested to take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.POONAM MALAKONDAIAH
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh Medical Services and
Infrastructure Development Corporation, Hyderabad.
All the HoDs of the HM&FW Department.
Copy to:-
All the concerned members through APMSIDC, Hyderabad.
The Finance (FMU.HM&FW) Department.
The P.S to Hon'ble Minister (H&ME).
The P.S to Principal Secretary to HM&FW Department.
The Account General, A.P., Hyderabad.
The Director of Treasuries and Accounts, A.P., Hyderabad.
Sf/Sc.

// FORWARDED :: BY ORDER//

SECTION OFFICER